April 22, 2002
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The Docket Clerk
U.S.DOT Dockets
Room PL-401, 400 Seventh Street, SW
Washington, DC 20590
USA

Re: Interim Final Rule
Aviation Security Infrastructure Fees
Docket No. TSA-2002-11334 -17

Dear Sir/Madam,

The International Air Transport Association ("IATA") herewith submits a number of comments to the Interim Final Rule on the Aviation Security Infrastructure Fee ("ASIF") found in the Federal Register, vol. 67, No. 34, dated Wednesday, February 20,2002.

Based on our review of the Rule, IATA would like to raise the following concerns: (1) there is a difference between what the TSA is required to provide in terms of screening services under the Aviation and Transportation Security Act (ATSA) and the cost information the air carriers are required to provide under the Rule; (2) most air carriers do not maintain detailed cost: information on year 2000 security costs that would allow them to fill in the numerous cost categories contained in Appendix A to the Rule,

Differences between the ATSA and the ASIF Interim Final Rule

The mandate of the TSA as described in the ATSA is to "provide for the screening of passengers and property". As such, it will be taking over the various airline contracts with third party screening companies. The TSA has been instructed to have its own employees performing the screening function by the end of the year 2002.

The ASIF is being introduced to help defray TSA's costs of providing security services and is subject to a statutory cap based on passenger and property screening costs the air carriers incurred in calendar year 2000. Appendix A to the Rule, however, includes in it certain cost categories that the TSA will not assume as part of its mandate, i.e. baggage runners and

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certain supervisory/customer service staff. This will therefore result in the air carriers being assessed a fee that is based on costs that the carriers will continue to incur once the TSA has assumed its mandate. In effect, the air carriers will be paying for some security services twice. It would be preferred that the TSA restrict the airline self-assessments, and the amounts to be collected, to the amounts that airlines expended on security screening activities that the TSA will now perform, and not insist on reports of security expenditures for services that the airlines will continue to perform.

Maintenance of cost [illegible]ion

For practical reasons, it is IATA's opinion that the statutory cap should be limited to the aggregate amount air carriers *paid to third party contractors* that carried out passenger and property screening in calendar year 2000.

From a survey copducted of its Member airlines, it became clear that the international airlines operating into the USA have no direct involvement in the passenger and property screening function at airports in the US, other than the occasional presence of airline station management staff that is aimed at maintaining a certain level of customer service and visibility for passengers. At no time have foreign airline staff ever performed the passenger and property screening function.

The security screening function is performed entirely under contract of a third party, i.e. security screening agency. Depending on the nature of the airline operation at an airport, the airline will have either contracted with the third party directly, through the local airport operators committee, or with another airline - usually an alliance partner - as part of a general aircraft operation handling contract.

While the responsibility of the airline's security program rests with the corporate security department at the [airline's head office, the costs of the passenger and property screening function performed at each airport are part of the station operations budget. The extent to which security screening costs are identifiable will depend on the nature of the airline operation at the airport. In one case, the airline will receive a monthly invoice directly from the security screening company, in which case screening costs are identifiable. In an equally prevalant case, the airline may receive a monthly invoice from an airline or other third party where the cost of security screening is included as part of the overall handling cost and is therefore not separately identifiable. Security screening costs will therefore be accounted for only if these have been separately identified and itemized.

Due to these differing contractual arrangements at various airports, the cost of passenger and property screening can be extremely difficult to identify with any accuracy. This is particularly the case where the airline is billed an all-inclusive flat fee per aircraft operation by the third party performing the handling activity. This being the case, the information solicited in Sections A through E of Appendix A can not be provided with any accuracy, leaving Section F to be filled in as a lump sum amount.

Under the circumstances, it would be much preferred if the self-assessment be limited to one lump-sum amount as it would vastly simplify compliance with the Rule and expedite the determination and remittance of the ASIF. Appendix A has made the Rule unnecessarily complex and would require additional guidance from the TSA as to how it is to be completed.

IATA appreciates the opportunity to submit comments to the Interim Final Rule and strongly urges the TSA to schedule a meeting as soon as possible that will provide additional guidance on the issues raised.

Sincerely,

Eugene Hoeven
Assistant Director, User Charges
- The Americas & ICAO